NPTA MANAGEMENT NEWS

OCTOBER 1987

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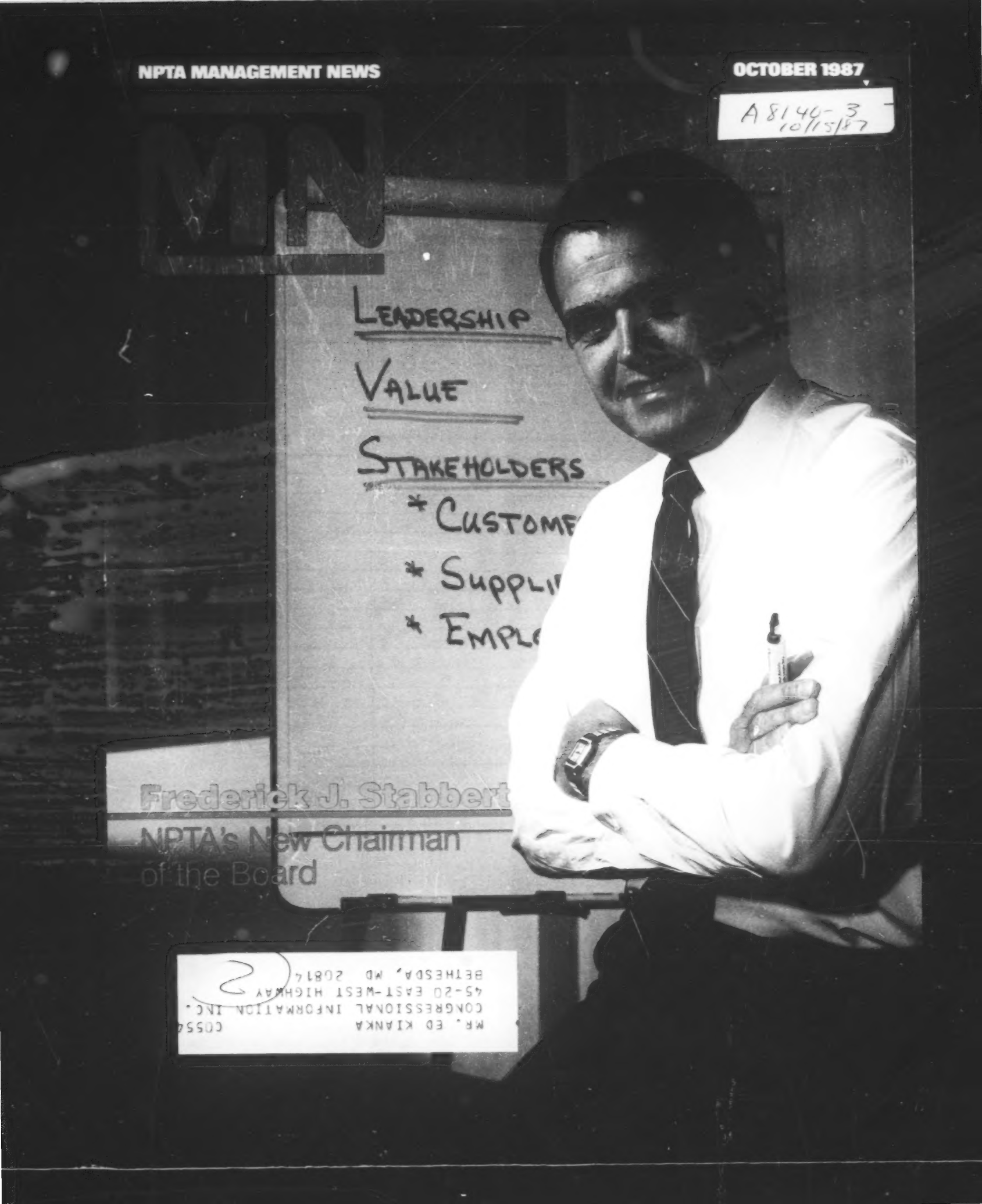

Frederick J. Stabbert

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MN

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Cover Photo: Larry Witkowski

FEEDBACK

Open Forum

The opinions, ideas, and concerns of the readers are important to the National Paper Trade Association—The Publisher of Management News. To get your thoughts in print, direct your correspondence to the editor.

Applauds Employee Recognition Series

My compliments on your cover story "American Dream: Still Providing Workers With Inspiration." This is the second year that you have featured write-ups about outstanding employees and I am most happy to see the tradition continue.

Richard W. Abrams, president
West Coast Paper Company
Seattle, WA

Editor's Note: We have received many letters of praise for our honoring industry people. Those interested in having someone considered for inclusion in MN *should contact the editor.*

MN Covers Attract Attention

I have just received the August issue of the *NPTA Management News*, and felt that I should write and congratulate you on an excellent publication.

In particular, I would like to compliment your art director for his covers. Whenever your publication comes into my office, I am always impressed by the thought and imagination that has gone into the covers, which makes me want to stop whatever I'm doing and look into what NPTA is up to.

Further, I must tell you that the contents and lay-out of *Management News* are both excellent, and always interesting reading.

Keep up the good work.

Stanley G. Wild, president
Canadian Electrical Distributors Association
Don Mills, Ontario, Canada

Coming in the November *MN*

Special focus issue: Technological impacts on paper distribution

- Telemarketing by computer
- Electronic data interchange
- Routing trucks by computer
- Portable computers used in selling paper products
- Technology report on industry trends
- Computer conference exhibitors
- Truck leasing alternatives

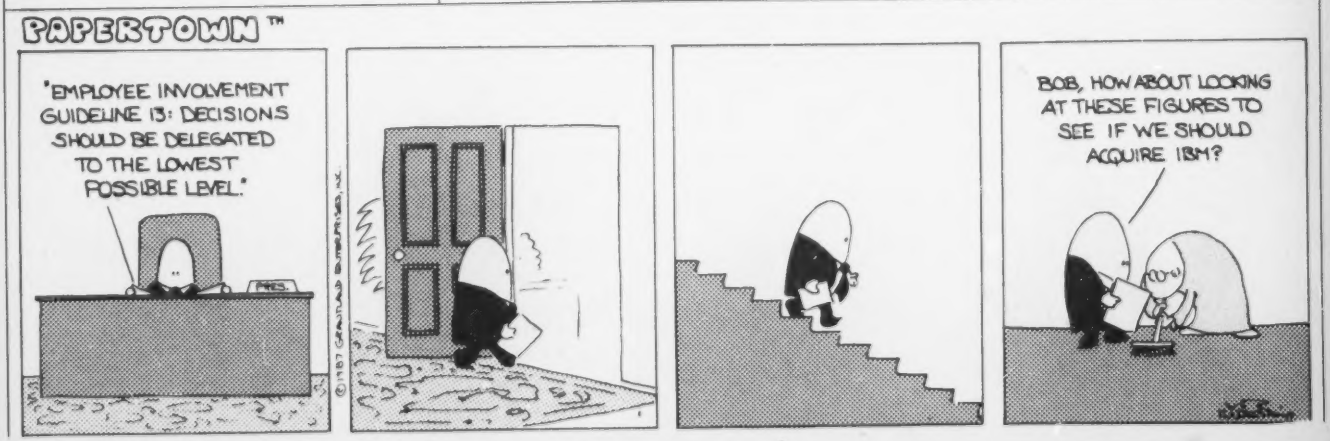
Thanks to a Great Industry

I'd like to take a moment to thank all of you for your best wishes and support during my recent heart attack and subsequent by-pass surgery and recovery. I wasn't sure I would make it, but so many of you poured out your love and prayers that I knew I'd be all right.

I'm back in full swing now. I want all of you to know that during my time of trial I came to a realization I want to share with you. And that is that the paper distribution industry is a great business, filled with loving and caring people. When you need them the most, whether supplier, competitor, or distant acquaintance, they come through.

So, allow me to thank all of my industry friends. I will never forget you. I am honored to be part of this great business and to call myself a paper merchant.

Herbert Ginsberg, president
Grayco Products Corp.
Westbury, NY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H.T. Berry Co. Building Addition to Warehouse

Ground was broken at the end of July for a new 30,000 square foot addition to H.T. Berry Company's office and warehouse complex in Canton, MA. When completed, the company will have over 60,000 square feet of space. Henry T. Berry, company president, used a silver shovel for the ground breaking ceremony, which was followed by a buffet on the front lawn. The company is not worried about future expansion needs—it owns over five acres of land at its present site.

Neenah Converts House to Educational Facility

Conveniently located adjacent to Neenah Paper's Whiting Mill in central Wisconsin, a six bedroom house has been purchased by Neenah and converted into an educational facility for the company's merchants and key sales people. The building is also used as a base for conducting tours of the Whiting Mill.

The former home is located in a pine grove overlooking the Plover River, and provides a casual, northwoods ambiance which helps contribute to the free flow of ideas and information.

Bruce Gilbert, Neenah Paper's national sales manager said, "We're finding that this facility lends itself to establishing better communication with our customers. We are away from the office and have an opportunity to discuss with our merchants our mutual goals in an informal, yet very constructive manner."

National Paper & Pkg. Promotes Five Execs

National Paper & Packaging Company was founded in 1914 by Harry Epstein, and it has remained a family-run business ever since. The recent announcement by Morton G. Epstein, president and CEO, of the promotions of five of the company's executives emphasized the fact that four of the men are grandsons of the founder: Brent R. Grover, Jeffrey D. Epstein, Jeffrey H. Grover and Jonathan A. Epstein. Also promoted was Arthur J. Horner, who joined the company in 1977.

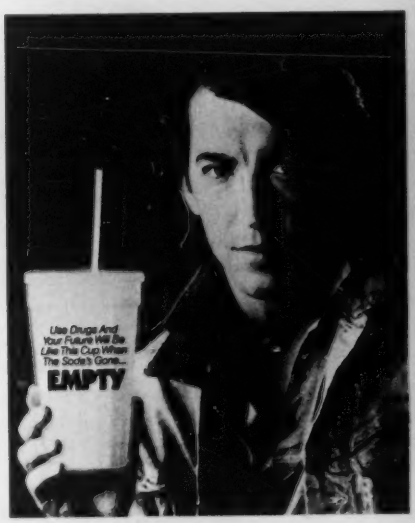
Paper Distribution Industry
Best Sellers

Rank	Publication	Last Mo.
1	New Strategies for Growth: Paper Distribution Plans for The Future. *NPTA.* $45.	1
2	Collecting By Telephone. *Dun & Bradstreet.* $49.99	4
3	Paper Merchant's Guide to Profitable Management. *NPTA.* $49.	5
4	What Really Helps (or Hurts) Your Company's Bottom Line. *NAW.* $50.	2
5	Higher Profits from Day One. *Arthur Andersen.* $250.	3
6	System Selling: A Marketing Guide for Wholesaler Distributors. *Hannaford.* $25.	7
7	A Problem Solved. Envelope Stuffer. *NPTA.* 10¢ each.	—
8	Wholesaler Inventory Control. *VanDeMark.* $25.	6
9	Strategic Planning: A Fitness Program for Wholesalers. *Arthur Andersen.* $35.	8
10	Harvest the Fruits of Paper Selection. *NPTA.* 50¢ each.	—

All publications are available from NPTA

Acme Paper & Supply Helps Fight Drug Abuse

Acme Paper & Supply Co., Inc. and JF Theatres have joined in a campaign to help fight drug abuse among youth in Maryland. Scheduled to run for 90 days, each of the 40 JF Theatres will screen a 30-second public service announcement featuring an actor urging young movie-goers not to get into drugs. He is shown holding a "glow in the dark" cup which bears the message "Use drugs and your future will be like this cup when the soda's gone...empty." The cups will be used in all the theaters for soda and popcorn sales, and are supplemented by special posters in the theaters' lobbies which provide telephone numbers to call for help or more information. It is expected that the announcements and cups will reach almost one million movie-goers during the 90 days the campaign will be in action.



IP Publishes Supplement to Annual Report

Dana G. Mead, senior vice president - White Papers Business, has written a supplement to International Paper's 1986 annual report. The document, titled "Leadership in White Papers Markets," covers the Hammermill acquisition, the company's move to Memphis, TN, improved customer service programs and new product development. The

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introduction of new products into specialty markets is also highlighted.

Mr. Mead points out that "The International Paper-Hammermill combination creates the largest and most diverse white papers organization in the world," and predicts extensive opportunities for growth and profitability in the years ahead. To receive a copy of the report, write to International Paper Company, Marketing Communications Department, Two Manhattanville Road, Room 4-062, Purchase, NY 10577.

Georgia-Pacific Wins Environmental Award

For the fifth time Georgia-Pacific has won a national Environmental and Energy Achievement Award for solid waste management in a competition sponsored by the American Paper Institute and the National Forest Products Association (API/NFPA). The award was in recognition of the company's development of a wastewater pretreatment process and wet sludge treatment system at its Asheboro, NC, corrugated container plant. The project was in development for five years and was implemented in 1986. It was the sixth consecutive year that Georgia-Pacific had won an API/NFPA award, five of which have been in the environmental category.

Gilbert Paper Reaches Centennial

Gilbert Paper, named for its founder William M. Gilbert, celebrated its 100th year in business on April 27th. The Gilbert family had been paper merchants since 1874, soon after the Great Chicago Fire, but William Gilbert wanted to become a manufacturer. Right from the start, the company has emphasized the production of high grade cotton content papers, pioneering the use of cotton plus sulphite bond paper. In the early 1900s the company dedicated itself exclusively to the production of correspondence and business forms papers and is one of the leaders in the production of private watermarks. Gilbert, which became part of the Mead Corporation, is using the slogan, "The Best is Yet to Come," to represent its centennial.

Century Papers Posts Record Sales and Earnings

Record first quarter sales of $32.1 million led to record first quarter earnings of $425,000 for Century Papers, Inc., Houston, TX. The company had disposed of its retail operations last year and had enacted cost control measures which, along with improved sales and product mix, were credited with helping to improve the company's performance.

Century Paper, which distributes paper and allied sanitary maintenance products from 17 distribution centers in seven states, also announced that it had obtained a new $4 million short-term line of credit, up from the $2 million it previously had.

RETAILERS CAN
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Hammermill Acquires Ochs Paper Company

Ochs Paper Company, Indianapolis, IN, a distributor of industrial paper, food service disposable products and business papers, has been purchased by Hammermill Papers. Ochs will become part of CDA Distributors, a Hammermill Division engaged in the distribution of similar products. The acquisition will bring the number of distribution centers in the division to 24 locations, with sales of about $210 million.

People in the News

Genie Prell has joined Paterson Card & Paper Company, Paterson, NJ, as executive director of marketing. Ms. Prell is part of a third generation of Prells who have worked at Paterson Card, which was founded by her grandfather, Herman Prell, in 1914.

Keith LeBlanc has been named vice

Shown are some of the participants in WWF Paper Corporation's Top Management Conference held at Bryn Mawr, PA. The theme of the meeting was "A New Season," concentrating on the company's new strategic plan for the future. Two 40-year employees—Donald Palmer and Gloria Gregg—were honored with a special dinner, plaques and several gifts.

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president of marketing for both the Fine Paper and Industrial Paper Divisions of Turnquist Paper Company, Minneapolis, MN. Stu Erck has been appointed sales manager of Turnquist's Industrial Paper Division.

Sol O'Mell, who was associated with Mayer Myers Paper Company, Memphis, TN for over 52 years, died in July a few weeks after his 80th birthday.

Elsa Lugo has been promoted from account administrator to supervisor, sales service for Paper Enterprises, Inc. The following have also joined the company: John Mangano, manager, national accounts; Nerva Jean-Pierre, account executive; Angelo Correa, account administrator; and Lyle Green, data processing.

Bruce Scher has been named vice president-sales & marketing by G.W.M. Industries, Inc., New York, NY. He will be responsible for corporate sales, sales training, customer service and development of marketing programs.

William E. Kelley and William E. Collins have been named senior vice presidents of Carter Rice. Mr. Kelley is president of Carter Rice's New England Division which has nine locations throughout New England. Mr. Collins is president of the Stanford Paper Company Division of Carter Rice.

Elaine Tuber and Karen Lundin have joined Leslie Paper's Chicago office. Both had worked previously for Whitaker Carpenter. Mark Klunder has been promoted to marketing manager of Leslie Paper's Kansas office, while Steven Tyler is a new member of Leslie's Des Moines sales force. At Leslie headquarters in Minneapolis, Ruth Shaltis has been elected corporate secretary, replacing Al Betchwars who retired after 43 years with the company.

Michael J. McCaffrey has been named general manager of consumer sales for The Fonda Group, Inc., Union, NJ. He will be responsible for the total U.S. and export consumer sales of Fonda's branded and private label cups, plates and related paper products. He was previously Northeast regional sales manager with Keyes Fibre. William R. Zak has been named district sales manager for Fonda's Florida district. He had been a territory manager with Lily-Tulip, Inc. for 10 years.

Eliot Axelband who worked for Art Moses Associates, Melville, NY, died in August. He was 38 years old.

Jim Bentheimer, vice president—finance and administration of the Great Northern Nekoosa Corporation, is shown presenting a National Merit Scholarship, sponsored by GNN, to Robert Wilkinson, a graduate of Denver's South High School. His mother, Linnea Wilkinson, an administrative assistant for Butler Paper, and Bob Kunde, vice president—western region, for Butler, also attended the presentation. Butler Paper is one of GNN's operating divisions.

S. Walter E-x-p-a-n-d-i-n-g

S. Walter Packaging Corp., Philadelphia, has announced major expansions of both its operations and facilities. A new division—the Advertising Specialties Division—was recently started in York, PA, under the leadership of Bonnie Helm. The new division, with a starting sales force of three, will operate as a separate entity specializing in retail packaging and advertising specialties. The Philadelphia sales force has been increased by five, bringing the number of sales personnel to 24.

The company's facility in Northeast Philadelphia Industrial Park is undergoing a major expansion. The office area is being doubled and 23,000 additional square feet of warehouse space is being added. By mid-October, S. Walter, founded in 1904, will have over 100,000 square feet of office and warehouse facilities.

James River Plans New Capital Projects

Reporting to shareholders at its Annual Meeting, the management of James River Corporation reported on the investments in new capital projects which the company will be making. Totaling $722 million, the projects include a new towel and tissue paper machine in the Wauna, OR, mill as well as major investments in the former Crown Zellerbach mills in the northwest.

Stockholders were also informed of the company's plan to purchase a 50% interest in Kaysersberg S.A. in France. Because of the short-term costs of some of the company's investments for the future, net income for the first fiscal quarter was expected to be about the same as the first quarter of last year, but there was optimism for the results that were expected for the year as a whole.

Jim Walter Corp. to Merge

Jim Walter Corporation, Tampa, FL, and Hillsborough Holdings Corporation have signed a merger agreement which provides for the acquisition of Jim Walter at a price of $60 per share in cash. Hillsborough Holdings is a newly formed

NPTA's ANNUAL TRENDS IN PAPER DISTRIBUTION COMPUTERIZATION CONFERENCE

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- Bar-coding technology
- Electronic data interchange (EDI)
- Inter-facing P.C.'s with mainframes
- Implementing an automated telemarketing support system

NOVEMBER 4-6, 1987

DALLAS, TEXAS

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The Strathmore Commander's Cup goes each year to the merchant having the largest percentage increase in sales of Strathmore Papers in the New England market. The C. H. Robinson Paper Company, Portland, ME, and Woburn, MA, has won the award three out of four years and has gained permanent possession of the cup. Shown here (l to r) are Richard Casey, Thomas McQuillan and John Robinson of C. H. Robinson Paper Company receiving the award from George Merrill and Ray Naton of Strathmore Paper Company.

corporation started by a group of investors led by Kohlberg Kravis Roberts & Co. KKR has secured commitments from two major banks to provide $1 billion of the necessary financing and to form a syndicate of banks to provide an additional $1 billion. Gene M. Woodfin, a member of Jim Walter's board of directors, stated that "the board is extremely pleased with the transaction, as it represents excellent value for our shareholders." The merger is subject to the customary conditions, including the prior approval of Jim Walter's stockholders if required under applicable law.

Five Regional Paper Firms Form Association

Five non-competing, privately-held paper firms have joined together to form The Independent Merchants Association. Together, the five companies have 3,600 employees, including 775 sales representatives, 69 distribution locations and several converting plants and retail stores. The companies—Alling & Cory, Rochester, NY; Dillard Paper Company, Greensboro, NC; Dixon Paper Company, Denver, CO; Kirk Paper Company, Los Angeles; and Leslie Paper, Minneapolis, MN—have combined sales of $1.4 billion.

According to Jim Leslie of Leslie Paper, "Entrepreneurial spirit and a commitment to independence is the focus of our association. We're convinced independent paper merchants offer greater value to suppliers, customers, employees and shareholders."

News Briefs

KIRK PAPER COMPANY, a distributor of coated and uncoated paper for 40 years, has opened a new warehouse in Phoenix, AZ. The company also has offices and warehouses in Los Angeles, San Francisco and San Diego.

JAMES RIVER CORPORATION has announced that it will acquire a 50% interest in Kaysersberg, S.A., the leading French producer of sanitary paper. James River may also obtain an additional 17% of Kaysersberg in the future. Kaysersberg has eight modern manufacturing plants which produce specialty packaging, plastic construction materials and food service products in addition to sanitary paper products.

Profile

Geoffry Clark: Planning the Future at Dillard Paper

Dillard Paper Company is a family-owned company—the largest independent paper distributor in the Southeast. Founded 61 years ago by Stark Dillard and run by his nephew John Dillard since 1966, the company was faced with a potential crisis last November when John Dillard suddenly stepped down for health reasons.

G. Henry Jobe, Jr., a company vice president and director became president in May, but the search continued for a new chairman and chief executive officer. That search has now ended with the selection of Geoffry Clark, who was a vice president and general manager of the company's Norfolk, VA, branch.

Clark, only 37 years old, has been with Dillard Paper since 1974, when he became its first management trainee. As the first person to head the company who is not a member of the Dillard family, he is expected to continue the traditional conservative, close-knit type of operation it has always been. Clark makes it clear that Dillard is not a candidate for acquisition. Instead, the hope is to expand Dillard Paper with some acquisitions of its own. Nor does he expect that Dillard will go public. The company is presently owned by members of the founding family and employees who take part in a stock ownership plan.

There will be changes, however, in the way the company is operated. One of the biggest changes will be a willingness to turn to outside sources of money to finance expansion, rather than relying solely on the company's own cash reserves. More computers will be added and middle management, mostly at field offices, will be expanded. Marketing programs will be increased and videotaped training programs will be used to instill the company's way of doing business in its employees.

What Clark won't change is the decentralized form of management and the high level of employee autonomy, freedom and flexibility of action that he believes gives Dillard an advantage over larger competitors.

Printing Paper

Image World Starts Second Year of Publication

The College of Graphic Arts & Photography of the Rochester Institute of Technology is moving into its second year of publishing *Image World*. *Image World* is designed to promote careers in graphic communications, and is distributed directly to high schools and community colleges across the country.

A new feature, called "Colloquium", is being added starting with the September/October issue. Students and industry professionals will be asked to share their thoughts on a different question each issue.

Other articles will focus on satellite communications, packaging and packaging careers, inplant printing shops, a "close-up" on Illinois State University and advice on breaking writer's block. Future issues will carry stories on careers in ink, how magazines are put together and printed holograms.

Image World is published five times each academic year through a grant from the Graphic Arts Education and Research Foundation. Individual subscriptions are available. Write to the editor, Mark DuPre, *Image World*, T&E Center, RIT, One Lomb Memorial Drive, Rochester, NY 14623, or call 716-475-2549.

Copier Paper Market Demographics

Cut-size copy paper is an important commodity line for many printing paper merchants (and industrial houses, as well). How many copy machines are being sold now and what's in store through the balance of the decade? How big is the supplies market? What about new handheld copiers?

The Department of Commerce does not track sales/shipments of copy machines, and information about this field is tough to locate. However, CAP International, a Marshfield, MA, research firm specializing in the analysis of printing and imaging markets, does make some forecasts, as follows:

PHOTOCOPY MACHINES

Year	"Net Placements" (No. of Units Sold)	Value of Sales ($Bill.)
1984	884,000	$10.170
1985	1,052,000	11.171
1986	1,086,000	11.888
1987	1,760,000	12.771
1988	1,250,000	13.235
1989	1,321,000	13.713
1990	1,391,000	14.120
1991	1,463,000	14.543

The above figures include all *plain paper* copiers, of all sizes, except handheld types. CAP International expects 6.1% compound annual growth in unit placements and 4.1% annual gains in sales volume. They estimate that 20-21% of the revenues are derived from supplies and service, as compared to the actual equipment.

Panasonic, Silver-Reed and Sharp are the key players in the handheld copier market, unit sales of which appear below (forecasted):

Year	Unit Sales
1986	10,000
1987	30,000
1988	50,000
1989	70,000
1990	90,000
1991	110,000

Florida Tax on Advertising Upheld by Court

The Florida Supreme Court has declared that the controversial new state tax on advertising is constitutional. Since both Governor Martinez and the state legislature have already refused to consider repeal of the tax, opponents, who claim that the tax violates both the Commerce Clause of the Constitution as well as the First Amendment, now have no option except an appeal to the U.S. Supreme Court. Florida says that it needs the tax because the state constitution forbids levying an income tax and because the state has a very small manufacturing base.

Industrial Paper

McDonald's to Phase Out CFC Containers for Takeout

Over the next 18 months, McDonald's restaurants in the United States will phase out the use of foam containers made with chlorofluorocarbons (CFCs). Scientists have been warning that the protective ozone layer in the atmosphere is being destroyed by the widespread use of CFCs.

McDonald's action comes in response to a request from Sen. Robert Stafford (R-Vt.). Clifford Raber, government relations vice president for McDonald's, said that the company realizes that their usage of CFCs represents only a minute part of the total usage, but they hoped that their decision would cause other companies to take similar action. The ban on foam containers may eventually be extended to the 2,000 McDonald's restaurants located in other countries.

Industrial Division to Co-Sponsor Foodservice Conference in Chicago

NPTA's Industrial Division announced that it would present, along with the newly named "Foodservice & Packaging Institute," a 1½ day conference on foodservice and distribution. The conference is scheduled for November 16-18, 1987 at the Embassy Suites Hotel (at O'Hare Airport), Chicago, IL.

The conference will focus on the future of paper, plastics and allied products distributors in the foodservice area. Also to be discussed will be the viewpoints of

all groups involved in the industry, including manufacturers, government representatives and others who will dramatically affect the industry and how business is conducted.

Registration will be $275 for NPTA members and $325 for Manufacturers/Suppliers. Fees will include the opening reception, two luncheons and the Industry Dinner and reception. Also included are all course materials. Hotel accommodations are *not* covered by the fee.

The sessions promise to be among the most exciting and beneficial for all attendees we have ever presented. For further information and registration materials, please contact: Richard J. Lerman, NPTA Director of Marketing & Membership Services, at 516-829- 3070, or write to NPTA, 111 Great Neck Road, Great Neck, NY 11021.

FOODSERVICE CONFERENCE PROGRAM

November 16-18, 1987
Embassy Suites Hotel, Chicago, Illinois

MONDAY, NOVEMBER 16, 1987

Reception/Early Registration
7:30 p.m.- 8:30 p.m.

Dinner on your own
8:30 p.m.

TUESDAY, NOVEMBER 17, 1987

Registration
8:00 a.m.- 8:45 a.m.

The Competition- How to "Beat 'em"
9:00 a.m.- 10:00 a.m.
A) Buyers: How do we get their business? What services are they looking for?
B) Distributors: Case histories of successful campaigns to attract customers from foodservice distributors.

More Money Through Better Marketing (How to Customize Your Marketing Plan)
10:00 a.m.- 11:00 a.m.
How can you best stay ahead of your competition? Utilizing customized marketing programs can certainly help. This session will help you develop these for your company.

How to Sell More to Your Current Customers
11:00 a.m.- 12:00 Noon
Are you selling all you can to your current foodservice customers? This session will help you determine if you are and what to do about the situation if you are not. This session will also inform you of how to sell other non-foodservice products to your foodservice customers.

Lunch
12:00 Noon- 1:00 p.m.

Emerging New Customers: How Can You Get Them?
1:00 p.m.- 2:30 p.m.
How can you judge your true market potential in foodservice customers? This session will help you achieve better penetration in your marketplace and therefore increase sales.

How Smart Warehousing Can Make You Money
2:30 p.m. - 3:30 p.m.
With warehouse turns being critical to the success of your foodservice business, are your people meeting the demand? Getting the product to the customer is paramount in foodservice. This session will assist you in making certain your organization is doing all it can to compete.

Coffee Break
3:30 p.m.- 3:45 p.m.

Training Your Sales Force: Are They Selling Quality of Products & Services or do They Rely on Price?
3:45 p.m.- 4:45 p.m.
Training your sales force is always an important topic. In foodservice it is imperative that sales personnel sell with profit margin in mind. This session will aid you in working with your sales force to keep them plugged into your customers' needs.

Industry Reception
6:30 p.m.- 7:30 p.m.

Industry Dinner
7:30 p.m.- 8:30 p.m.

Address by Representative Curt McCormick (D-Rutland), Member, Vermont House of Representatives

WEDNESDAY, NOVEMBER 18, 1987

How to Survive the Onslaught of Government Intervention
9:00 a.m.- 12:00 Noon
An overview of the issues surrounding the distributors' place in the current wave of problems with regard to foodservice packaging disposables and the environment.

Luncheon
12:00 Noon- 1:00 p.m.

Future Trends in Foodservice
1:00 p.m.- 3:30 p.m.
A) New Products
B) New Usage Trends
C) New Services Required
D) New Sales Trends & Systems

Closing Remarks/Questions & Answers
3:00 p.m.

Departure
4:00 p.m.

" OH...COME IN, SPURGEON. WE WERE JUST TALKING ABOUT YOU. "

The Sales Professional 1

A special section dedicated to those who sell or manage the sales function

Carter Rice Connects to International Paper via Computer

International Paper's computerized ordering system, IPCom®, is helping IP's customers increase operating efficiency, improve inventory management and reduce delivery time.

A good example of how the system works is provided by Carter Rice- New England, one of the largest paper merchants in the East, which services customers in Maine, New Hampshire, Massachusetts, Connecticut and Rhode Island. Carter Rice's customers fall into several categories: commercial sheet and web printers; publishers; copier businesses; in-plant printers; quick printers; and major end-use companies. This diversity of clients requires a similar diversity in the types of paper sold, which Carter Rice buys from several suppliers.

Through the use of IPCom, information is immediately available to the buyer as to which IP mill has the needed paper in stock. Using IPCom, the order is then placed directly into IP's computer, which prints out the order for IP's customer service department. This system supercedes the old way of doing things, which required that a customer service rep at IP investigate mill inventories and then get back to the customer. A whole day could be wasted in getting information that is now available within seconds, permitting the order to be placed within minutes.

Special orders are expedited by IPCom because the computer provides information on IP's making cycles for non-stock, specialty items, detailing production schedules, mill location and product availability. Also, knowing what is currently available from mill stock and the making cycle helps inventory management at Carter Rice-New England by removing the inclination or need to overstock their own warehouses.

Another advantage of the IPCom system is the immediate availablilty of IP invoices, which are printed out by the computer right in Carter Rice's office, rather than being subject to a two or three day wait for a mailed invoice. Faster receipt of IP's invoices means faster billing of Carter Rice's customers, thus improving the company's cash flow.

For more information about IPCom, contact International Paper Company, Marketing Communications Department, Two Manhattanville Road, Purchase, NY 10577.

(The use of such computerized information sharing is presently considered to be "on the cutting edge" of technology, but it is clear that the demands of a competitive business will quickly accelerate computer usage. *MN* is planning an in-depth look, in a forthcoming issue, at electronic data interchange as it applies to paper, plastics and allied products distribution.)■

Phone Queries: Annoyance or Opportunity?

There's somebody out there who wants to buy something. It's getting late and you're halfway out the door when the phone rings. Or maybe you're in the midst of your monthly reports and can do without interruptions. The chances are good that the caller is in the midst of phoning several possible sources of whatever is needed—and the type of information given (and how it is presented) will play a major role in deciding who gets the order. Even though the call will delay your departure or distract you from your work, the last thing you want is for the caller to get the impression (from either your tone of voice or abrupt manner) that you're annoyed by the call or that you have more important things to do than give out the desired information.

Don't limit yourself to minimal answers. Impress the caller with your willingness to help by asking probing questions and offering sound advice. Don't forget to mention how well stocked you are, and bring up the matter of related items which you can also provide (the matching napkins to go with the paper plates, for example).

You probably spend a good deal of your time calling potential customers. When a potential customer calls *you*, don't let a great opportunity go to waste because the call comes at a time your mind is on other things.■

Beckett Paper Adds Colors to R.S.V.P. Line

Four new colors in text weight and eight new colors in cover weight have been added to the R.S.V.P. line by Beckett Paper Company, Hamilton, OH. A new sample book will be available, and R.S.V.P. will also be promoted with national advertising inserts.

A new collection of printed samples of Beckett's Cambric and Cambric Writing grades demonstrates the linen sheet's graphic reproduction capabilities for such uses as catalogs, brochures and letterheads. The samples are available from any Beckett merchant.■

The Written Word vs. the Spoken Word

Probably most of our contact with customers is verbal: either we are meeting them face-to-face or we are talking to them on the telephone. There comes a time, however, when we have to write a letter (or a report), and communication becomes a major problem.

Too many people feel that the use of the written word requires a completely different style than that used in conversation. As a result, what should be plain and simple becomes an exercise in stilted, multisyllabic verbiage whose only accomplishment is to completely obfuscate the issue. (Translation: your reader doesn't understand what you're trying to say.)

As a salesperson, you probably have no difficulty making yourself understood when speaking to a customer. The key to good written communications is to write as if you were *speaking directly to the person who will be reading your letter*. Keep your sentences short and your language simple—the object, after all, is to explain something, not to create confusion.

If you got two letters, one saying, "It is anticipated that if the status quo is maintained, though not precluding the possibility of unexpected peripheral problems arising, the dispatch of the materials you wish to purchase can occur approximately on the 24th of the month," while the second one says, "We expect to be able to ship on the 24th," which would get *your* order?■

EVENTS

OCTOBER

8–9. *TAPPI sponsors seminar on "Managing Change and Performance in the Paper Industry," Grand Rapids, MI. For more information contact TAPPI Headquarters, 404-446-1400.*

15. *Market Information—"How to Get it; How to Use it," Chicago, IL. Contact NPTA.*

18–23. *Printech Week, Rochester Institute of Technology, Rochester, NY. Contact NPTA.*

NOVEMBER

4–6. *Trends in Paper Distribution Computerization Conference, Dallas, TX. Contact NPTA.*

8–13. *Paper Distribution Management Development Program, Miami University, Oxford, OH. Contact NPTA.*

18. *Boston Paper Trade Association, Inc. Fall Meeting. Contact Albin R. Johnson, Jr., 617-748-2272.*

Sales Briefs

HOWARD PAPER MILLS is now producing a paper with a 95 White rating. Called Howard Super Max Opaque, the new paper is said to be ideal for many uses such as mass mailings, catalogs, newsletters, financial and legal documents and has been formulated for high speed press runs. To obtain a sample kit, send $2.00 (for postage and handling) to Howard Paper Mills, Inc., P.O. Box 982, Dayton, OH 45401, Attention: Cathy Gordon- SMO.

THE CROWELL CORPORATION, Newport, DE, has introduced Samson™ and Newport™ pressure sensitive polypropylene carton sealing tapes. The tapes are available in 2" width and 55 yd., 110 yd., or 1,000 yd. lengths. For samples and price sheets, write The Crowell Corporation, P.O. Box 3227, Newport, DE 19804-0227, or telephone 302-998-0557.

UPSSCO stands for United Packaging & Shippingroom Supply Companies, Inc., a new organization for independent distributors and suppliers in the shipping room supply and packaging fields. Headed by James E. Harris, UPSSCO will be headquartered at 6900 Murray Ave., Cincinnati, OH 45227, telephone 513-561-6035.

HAMMERMILL PAPERS has announced the appointment of Whitaker Carpenter Paper Company as a franchised merchant for the Detroit, MI, area. The company will carry Hammermill's full line of fine printing and business papers.

FASSON OFFSET GRAPHICS has announced an award program for agency designers to honor innovative, creative work printed on any pressure-sensitive material made by Fasson. Three top winners, selected on a semi-annual basis, will receive plaques and will have their designs shown in Fasson's quarterly graphics publication, *Discovery*. Entries, accompanied by a business card and a note indicating that the entry is for "The Fasson Most Innovative Application Award," should be sent to Fasson Offset Graphics 4X, 250 Chester Street, Painesville, OH 44077.■

Hammermill Produces Two New Portfolios

Hammermill Papers, Erie, PA, has two new portfolios available. The first features Hammermill Accent Opaque which, the portfolio says, "Puts More Punch in Your Printing." A health club theme is used to demonstrate single and three-color printing, folds, and stitching with simple, yet interesting artwork.

The second portfolio illustrates the company's line of text-like printing papers, with samples of all 23 matching colors and two whites that are available in Hammermill Offset Opaque and Hammermill Cover, as well as all the finishes that can be had in both grades. To get a copy of either portfolio, write Hammermill Papers, Erie, PA 16533.■

Wausau Coated Products Expands Factory Again

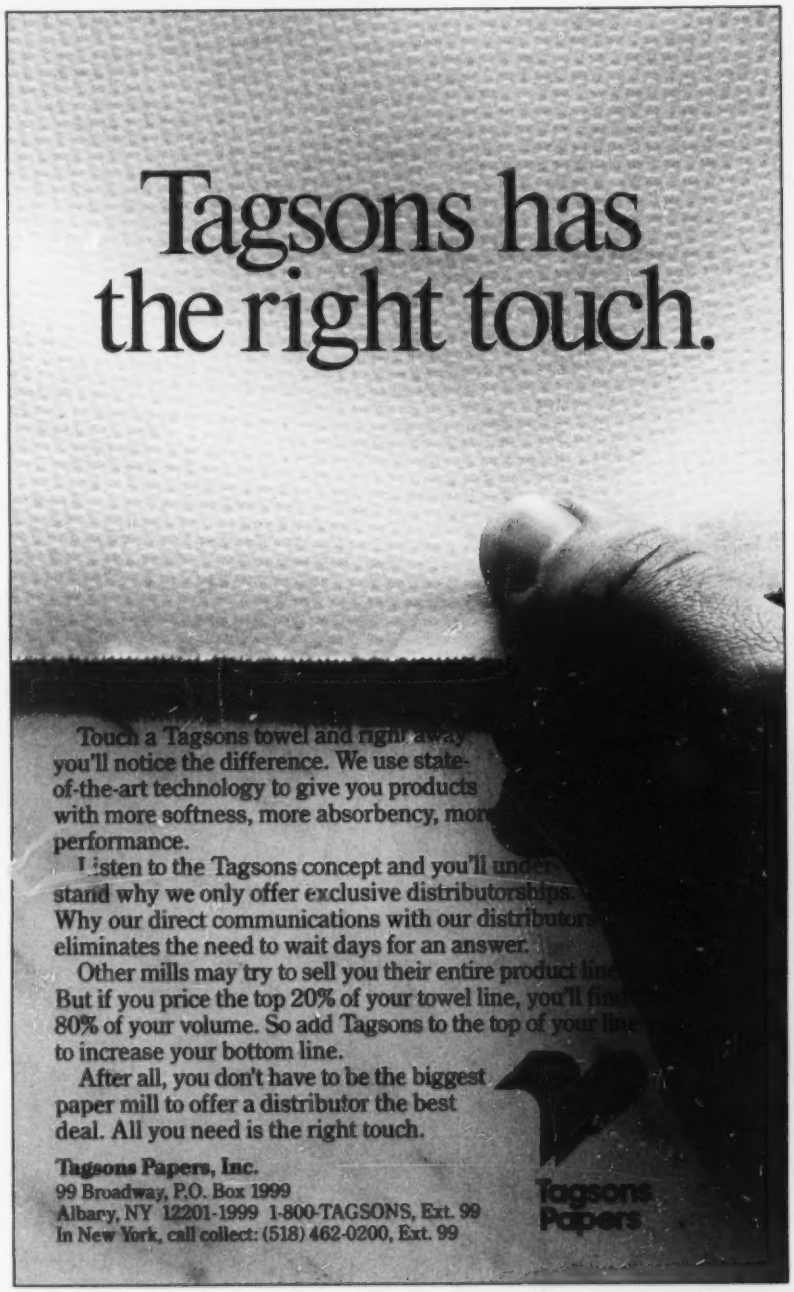
For the second time in the company's six year history, a major expansion is taking place at Wausau Coated Products, Wausau, WI. A new 15,000 sq. ft. addition will bring total plant size to 46,000 sq. ft., according to Bill Reif, president.

The company also announced that Mark Crooks has been named sales planning administrator and Bob Owens has become the firm's midwest manager of roll products. Mr. Owens has had more than 35 years experience in selling pressure sensitive products.■

Scott Guarantees Wiper Expense Reduction

Users of cloth and rental shop towels will be able to make their own cost comparison of what they are now using versus Scott Paper Company's new SCOTTCLOTH™ Heavy Duty Wipers. Scott guarantees that during a 90-day trial period, their new wipers will not cost any more than what it costs for wipers presently being used. If additional wipers are needed to complete the 90-day trial, Scott will deliver up to $1,000 worth of wipers per customer at no additional cost.

SCOTTCLOTH Heavy Duty Wipers are made from a blend of cellulose pulp and textile fibers and can help to reduce costs by eliminating laundry and handling expenses incurred with rental shop towels. The trial period is limited to cloth users and must be arranged through a local Scott sales representative. For more information, write to: SCOTTCLOTH 90-Day Brochure, Scott Paper Company, Dept. JS-86, P.O. Box 830, Devon, PA 19333 or call 1-800-4-SCOTT-1.■



Butler Paper Occupies New Tucson Warehouse

Butler Paper broke ground for its new distribution center in Tucson, AZ in June and moved in before the end of August. The new facility, located in the Tucson International Business Center at 3381 East Global Loop, replaces a leased building. Designed with modern material handling systems for more efficient receiving, order filling and delivery to customers, the building provides about 30% more warehouse space than what was available at Butler's previous location. Butler's Tucson division is one of two serving Arizona (the other is in Phoenix), and is one of 64 company locations nationwide. Butler, which is headquartered in Denver, CO is a division of Great Northern Nekoosa Corporation.■

Elbow-Length Polyethylene Glove Debuts

Associated Bag Company, Milwaukee, WI, has introduced a new, elbow-length glove made of 100% virgin polyethylene. The chemical-resistant disposable glove is ideal for foodservice

requirements as well as for use by those whose work requires protection from contamination or infection.

The gloves are packaged in dispenser boxes of 100, and carry the approval of

both the FDA and the USDA. For a free sample and a free catalog of all their polyethylene bags and other products, write to the Associated Bag Company, 160 South Second Street, Milwaukee, WI 53204.■

Solvent Free Hand Cleaners Introduced

Go-Jo Industries, Inc., a leading Akron, OH manufacturer of heavy-duty, creme-type hand cleaners, has introduced a new product called S.F.C.™. The letters stand for Solvent-Free Creme-type, and the product comes in two formulations: S.F.C. and S.F.C. with Crushables® (Crushables are non-abrasive scrubbing particles).

S.F.C. hand cleaners come in several sizes, ranging from a single portion packette, through a 4 oz. trial size, an 18 oz. can, a 4.5 lb. plastic cartridge to a 7 lb. metal can. You can get more information on S.F.C. or the other products made by Go-Jo by calling 1-800-321-9647 (Ohioans can call 1-216-920-8100 collect).■

Sales People

Shaleighne FitzGerald and Sean Cunning have been appointed New England district sales managers by Linweave Fine Papers, Inc. Shaleighne FitzGerald will cover Connecticut, western Massachusetts and upstate New York, while Sean Cunning will concentrate his efforts primarily on Eastern Massachusetts. Both will be spending much of their time in the field working with end users such as printers, converters and major corporations.

Steve Schwartz has been appointed sales manager of Enterprise Paper Company, Philadelphia, PA.■

Fonda Closes Fresno, CA Facility

The Fonda Group, Union, NJ, has closed its small factory in Fresno, CA and will serve its West Coast customers from its five plants east of the Rockies and a Western Distribution Center.

The Fresno facility, which employed 50 people, had become less important to Fonda as the company expanded from three to six plants over the last two years, according to Albert C. Lasher, chairman and CEO. He expressed the company's gratitude to the City of Fresno and its development council for the help it had provided when Fonda first located a plant there.

Production ceased on September 25th, and, if Fonda cannot find a buyer for the facility, some of the equipment may be moved to the company's other manufacturing locations in DE, GA, MI, PA and VT.■

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Frederick J. Stabbert: NPTA's New Chairman of the Board

On Sunday, September 20, 1987, the membership of the National Paper Trade Association elected its new chairman of the board. Fred Stabbert's election took place during the Association's National Convention in Atlanta. He will serve the industry as chairman through NPTA's next Convention to be held in Chicago.

Leadership. It is a word that leaps to mind when you talk to Fred Stabbert for a while. He always has a firm grasp of it. And he is dynamic—always finding new ways to look at situations.

His leadership abilities grow from his deep understanding of people. Fred knows that it is a company's people—accompanied by the willingness and commitment to use their talents—that are the greatest resource.

Fred Stabbert has been in paper distribution for over 18 years. He well remembers that afternoon in 1969 when he walked into Crown Zellerbach, a visit that led to a sales training position with Zellerbach Paper Company in South San Francisco. It wasn't long before his management talents were recognized and Fred was moving up the corporate ladder.

In 1983, at the age of 39, Fred Stabbert became president of the $1 billion paper distribution operation. 1986 saw him leave the company after its acquisition by James River and join the Hammermill Distribution Group as director of business development.

As NPTA's new chairman of the board, Fred spoke with *MN* editor Bill Frohlich in this exclusive interview in his Hammermill offices in Erie, PA.

MN: *You certainly have accomplished a great deal in your career in paper distribution. But, as we all know, to be successful requires the support of your family. Tell us a little about your family.*

Stabbert: I've been married to the same young lady for nearly 24 years. Faith and I were high school sweethearts back in Tacoma, Washington, where I grew up. We put each other through college and have been blessed with two wonderful children: Monica, 21, and Michael, 19. Both are in college on the West Coast.

MN: *Do either of the children have any interest in the paper business?*

Stabbert: Possibly. Monica is a senior majoring in business administration and marketing. Michael is a sophomore with a biochemistry major. While both are interested in the industry, I learned early that they will not be influenced by their Dad's career ideas!

MN: *Since you walked into Zellerbach in 1969, our industry has undergone many changes. You certainly have been part of some of those changes. How would you characterize the business today compared to the way it was in 1969?*

Stabbert: It's become a lot quicker and market segment driven. The major change that has brought this about has been the computerization of what I call the "front-end" of the business: on-line order entry, sales analysis and communications. In the distribution business, there were a few innovators who put a great deal of time, energy and capital into the development of the computer. Later came what I would call the "fast-followers"—distributors who took those computer concepts and programs and put them in place on less expensive hardware with little development cost. The fast-followers became computer efficient quickly. The innovators paved the road for the industry.

In addition to the proliferation of computers, our business has become much more market segment driven. This has been most evident in the industrial business where major market segments now are viewed and managed as separate business entities.

This has also been true on the printing paper side with the growth in cut paper and roll business. Some companies have now expanded their operations along these focused lines.

MN: *What opportunities for paper distributors do you see, and what changes do you feel will take place?*

Stabbert: There continues to be considerable consolidation within our industry. Just look at the list of mergers and acquisitions over the past two years. The challenge for both management and employees is to concentrate on satisfying customer and supplier needs within the distributor's chosen markets. The risk is that adjusting to internal change will outweigh adapting to market change, leaving the customers short-changed.

In the years to come, large companies will struggle to act small by minimizing layers of management and inevitable corporate programs. For the small, focused distributor, those close to their customer base, opportunities for success will be outstanding.

At Hammermill, we operate the Paper Distribution Business as a decentralized organization. Local managers have the freedom to meet the needs of their specific markets as they see fit. We believe that freedom provides better financial results and more personal commitment.

MN: *What can you tell us about your experience as a volunteer leader with NPTA?*

Stabbert: I have had the opportunity to work with high quality people. These are people who are not only interested in increasing the effectiveness of their own business, but also in increasing the quality and effectiveness of the entire industry. It's great to meet with a group of industry leaders and talk about the future of the business or how we can help our sales force receive better training. We actually get involved in making the future happen.

MN: *Is it difficult to take off your company hat and put on your industry hat?*

Stabbert: Not for me. You really have to be prepared to bring your knowledge to the table and then look at issues on a grander scale. What I have seen from NPTA's volunteers, and it doesn't matter if they are with a large company or a small one, is that they are willing to share their experience and insight for the betterment of the industry.

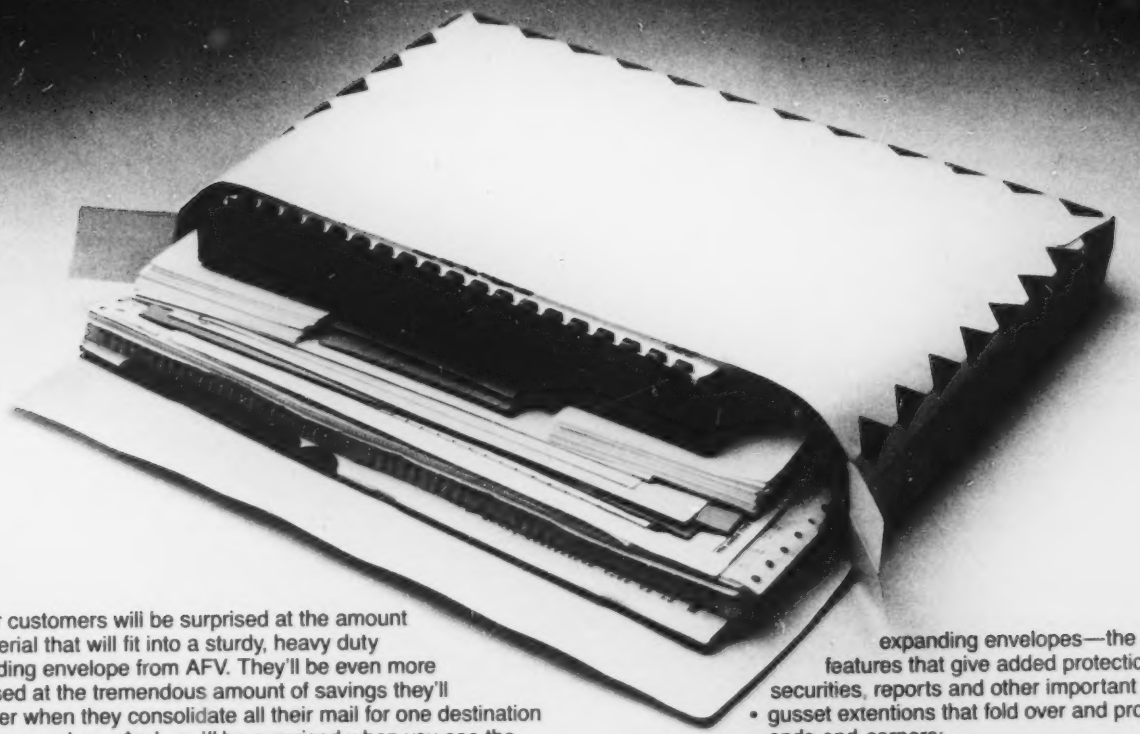
MN: *NPTA is always involved in developing new industry programs. Do you have a perspective on NPTA's role in the industry?*

Stabbert: I think we need to look at the "stakeholders" of NPTA—our membership, suppliers, staff, the PAPER Foundation participants, and indirectly, our membership's customers. Zeroing in on the membership, of prime interest is our statistical reporting on the industry, training and education through seminars, educational modules and university programs.

We have opportunities in the area of non-sales human resource development and in physical distribution. As the computer continues its impact on the "back-end" of the busi-

(continued on page 27)

INTRODUCE THE ENVELOPE THAT CAN SAVE CUSTOMERS THOUSANDS OF DOLLARS AND SAY HELLO TO INCREASED SALES!



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12 oz.	$2.09	36 oz.	$2.40
12 oz.	2.09	Total . . . 36 oz.	$2.40
12 oz.	2.09	Envelope cost:	
Total . . . 36 oz.	$6.27	1 kraft expanding	.35
Envelope cost:		TOTAL COST	$2.75
3 kraft flats @ 8¢ ea.	.24		
TOTAL COST	$6.51	**SAVE 58%**	

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- evenly applied gum on the flap to ensure a tight seal.

AFV expanding envelopes are available in both kraft and super-strong, super-lightweight Tyvek®. Sizes range from 3½" x 7½" x 1" to 12" x 18" x 3". There's a size for every purpose!

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Second Quarter 1987 Performance & Business Conditions Survey

NPTA first began its "QBCR" a year ago. Since then, the number of participants has grown and this most recent report represents an annualized sales volume of well over $8 billion.

The Association's Quarterly Business Conditions Report (QBCR) survey for second quarter 1987 performance was recently completed, and *participating members only* were sent customized company reports during mid-August. Over 160 different merchant locations participated, representing $2.23 billion in second quarter combined printing and industrial paper sales volume ($1.67 billion-printing, $560 million-industrial).

Response to the QBCR program has been enthusiastic, and new participants continue to join up. For most companies, the one-page survey form takes 30-45 minutes to fill out, and many people send the information instantaneously via facsimile machine (NPTA FAX #516-829-3074).

The table below presents first quarter 1987 *national* performance for printing and industrial merchants. Ten key financial measures are tracked. Following is a summary of performance in the key areas.

Sales Growth

Printing paper sales volume outpaced industrial houses' gains slightly in the second quarter, rising 9.3% over the same quarter of 1986, versus an 8% gain for industrial. These gains mirror those indicated by NPTA's monthly Paper Merchant Sales Report, where, through June 1987, printing paper "sales per selling day" were up 11.4% for printing paper and 8.2% for industrial.

Gross Trading Margins

Warehouse GTMs for printing and industrial merchants both came in at about 21.5%. The printing paper GTM of 21.5% was a little better than the 20.8% for the first quarter, while industrial margins slid from 23.1% to 21.7%. Direct GTMs stood steady at 6.3% for printing paper, but rose to a six-quarter peak of 15.4%. The average printing paper order returned to a more historical level of $374, after jumping sharply during the first quarter, and order size stayed virtually the same at $282 for industrial houses.

Operating Expense Control

Operating expenses have risen steadily since the fourth quarter of 1986, and surpassed the industrial merchant level at 87.1% of gross profits during the second quarter. Conversely, industrial merchants cut expenses sharply, from 99.8% in the first quarter to 85.2% by the second quarter.

Inventory Management

Printing paper inventory was turned over at a rate of 5.3 times annually, a little slower than the 5.6 times rate of the first quarter. Industrial paper inventory was turned over 6.5 times yearly, a significant improvement over the 5.6 times rate posted in the first quarter. Mainly due to this higher inventory turnover figure, the integrated measure "Turn & Earn Index" was substantially better than in printing paper houses (141.0 vs. 113.9). The turn & earn index is derived by multiplying the warehouse gross margin by the inventory turnover.

Receivables Management

Industrial merchants continue to turn over their receivables about three days faster than printing paper houses, 39 vs. 42 days. These figures were very close to first quarter 1987 levels. "Days of Receivables Outstanding" calculated from NPTA's monthly Paper Merchant Sales Report as of June were 37 days for industrial (same as QBCR), and 36 days for printing paper firms (6 days lower than QBCR figure).

Regional Summary

Data are calculated for nine geographic areas, and are included in individual company QBCRs mailed to participants. Results do differ markedly from national averages shown in the table in this article, and reflect varying economic conditions across the nation. For example:

- NPTA Regions 2 & 5 beat the U.S. average, with 15.9% and 13% sales gains respectively, while the southwest merchants in Region 7 remained depressed at -0.6%.
- Interestingly, Region 7 firms posted the best industrial paper warehouse GTMs at 23.6%. Region 6 was also above average at 22.7%. For printing paper, Region 9 firms posted high 23.8% GTMs, and for Region 5 at 22.6%.
- Region 6 firms (West Coast) posted the best net profit before tax figure, 2.8% of industrial sales and 1.9% of printing paper sales. Region 8 merchants also had high net profits at 2.1% of industrial sales.

• Strong printing paper turn & earn indexes were posted by Regions 1 & 2 and strong industrial indexes were registered by Regions 3 & 6.

Would *you* like to have seen all these regional variations, plus *your rank for the quarter* within the printing, industrial or dual merchant group? You could have, if you had participated. The QBCR is processed in-house at NPTA, and information is kept strictly confidential.

Next Survey

Forms for the third quarter 1987 were mailed on September 30. The *filing deadline is October 30th*. Be sure your financial department is now preparing the QBCR. You can phone in the figures or FAX the form to us (24 hours a day) at the last minute.

2nd Quarter 1987 Results—Quarterly Business Report
U.S. Average

Measures	Printing Papers	Industrial Papers
Percent sales increase vs. last year (%)	+9.3	+8.0
Warehouse gross trading margin (%)	21.5	21.7
Indirect gross trading margin (%)	18.6	22.9
Direct gross trading margin (%)	6.3	15.4
Total operating expenses as % of gross profit (%)	87.1	85.2
Net profit before tax as % net sales (%)	1.0	1.6
Inventory turnover (times per year)	5.3	6.5
Turn and earn index	113.9	141.0
Receivables turnover (days)	42.3	38.9
Average warehouse order size ($)	$374	$282

SOURCE: NPTA Quarterly Business Conditions Report

COVER STORY CONTINUED

ness—from receiving through delivery—future NPTA programs could play an important role in improving efficiency and productivity. NPTA may even need to be more visible in governmental issues. Inventory capitalization regulation, for example, is impacting our stakeholders.

Further, we offer a unique forum for our members—the NPTA Annual Convention and Exposition. There is great value here for our industry.

MN: *How do you view your role as chairman?*

Stabbert: The chairman acts primarily as a facilitator on behalf of the various stakeholders of the organization. I envision the board concentrating their efforts on the strategic development of NPTA and its services. I believe we should look 2-3 years out to maximize our opportunities and ensure that our programs, which have been so successful in the past, will keep improving in quality and effectiveness.

I think an important role may be with the NPTA staff, to help them increase the value of the NPTA services to our members, customers and suppliers. Each staff member can impact the success of the Association.

MN: *What are your expectations for NPTA during the next 3-5 years?*

Stabbert: We have had a very strong and dynamic committee structure at NPTA with solid leadership. In the years ahead, we will need to be attentive to key legislative issues and productivity issues in physical distribution. We should review and refine the focus of each committee, tailoring them to their industry segments.

As the distribution industry becomes more specialized, NPTA must also. This means, for one thing, focused growth—in staff, in size and budgets. We will try to generate more support for our statistical programs so that we can continue to increase the value of these reports to the industry. With greater member participation comes more refined and targeted reporting. More specialized reports are desirable—perhaps volume indicators in printing or industrial, by product categories or market segments.

MN: *Any comments in conclusion?*

Stabbert: Yes. NPTA must continuously strive for excellence, to enhance the Association's value for its membership. The vision that comes from its volunteer leaders and its staff can be transferred into definable objectives and programs that offer solid value. Our members deserve a good return on their dues investment.

I think the NPTA is geared to do that. I feel it has the professional staff necessary, and the staff gains good outside support. Further, I think the NPTA organization is one of the few in the association world that is growing. It has great leadership at all levels and will continue to prosper.

MN: *Thank you very much.*

Paper Distribution's Volunteer Leaders

There are many members of the National Paper Trade Association, but few volunteer leaders. Less than 60 people hold positions of responsibility with NPTA. This is a special group that gives precious time for the betterment of their industry.

Sunday, September 20, 1987 was the day that the membership of the National Paper Trade Association elected five industry leaders to positions of responsibility. To confirm their election, NPTA chairman Francis J. Houlihan asked them to stand.

During the Annual Business meeting, others were recognized for their contributions to the work of NPTA as their terms of office came to an end.

Chairman Houlihan, who is president of Fleetwood Paper Company, Franklin Park, IL, presided at the meeting. He asked those who had competed their three-year terms of office on the Board to stand and receive the recognition of all present.

They were: Jeff Chipman, president, Inter-City Papers Ltd., LaSalle, Quebec; William M. Close, president, Kirk Paper Company, Los Angeles, CA; Gene Shelton, president, Sunclipse, Inc., Montebello, CA; and Herschel Maltz, president, Century Papers, Inc., Houston, TX, who served an additional year on the Board due to a vacancy.

For the sake of continuity, four members of the Association's 17 member Board are elected each year to serve three-year terms. Also elected each year is a new treasurer who sits on the Board's Executive Committee. The treasurer then moves through the chairs to become Chairman of the Board—the top elected industry official.

Elected as treasurer at the Annual Business meeting was Michael K. Olthoff.

James J. Swearingen, executive vice president, Paper Corporation of America, Valley Forge, PA, and treasurer of NPTA, was elected second vice chairman of the Association and will head its Printing Paper Division. James B. Brame, Jr., president, Brame Specialty Company, Durham, NC, was re-elected to the Board's Executive Committee and will serve as first vice chairman and continue his responsibility as head of the Industrial Paper Division.

Frederick J. Stabbert

Frederick J. Stabbert, director of business development for the Hammermill Distribution Group, Erie, PA, was elected chairman of the Board of NPTA for the 1987-1988 Association year. (See the in-depth interview with NPTA's new chairman in this issue.) All terms of office run from one Annual Convention to the next.

New Treasurer Elected

Michael K. Olthoff, vice president of Nichols Paper Company, Muskegon, MI, was elected treasurer of NPTA at the annual meeting. This past year he served as a member of the Association's Board of Directors and prior to that as chairman of the Young Executives Forum Steering Committee. His vacated seat on the Board was filled through the election of John E. Rountree, president of Carr Paper Company, Pomona, CA, who will serve for two years.

The treasurer's seat on the Association's Board is an important one. In addition to handling NPTA's financial concerns, he is in line for the chairmanship.

New Board Members Elected

Elected as new directors serving three-year terms on the Board were: Marianna Frick, president of Paper Mart, Los Angeles, CA; Brent R. Grover, vice president, National Paper & Packaging Co. of Cleveland, OH; John W. Dietel, vice president, Plymouth Paper Company, Holyoke, MA; and Thomas E. Costello, vice president, Marketing, Dixon Paper Company, Denver, CO.

After their election, they were charged with upholding the bylaws of the Association and to work for the continued improvement of the paper, plastics and allied products distribution industry.

The Changing of the Guard

As the elections were confirmed, Francis J. Houlihan moved to the executive committee position of past chairman and heads the NPTA Advisory Council. The past chairman spot is also important because it is necessary to provide support for the newly elected chairman.

But what becomes of the sitting past chairman when he is replaced? Chairman Houlihan asked that Richard W. Abrams, president of West Coast Paper Company, Seattle, WA, be removed to "The Wax Works," an endearing term for the Advisory Council.

The accomplishment of this task was Francis Houlihan's last official act as NPTA chairman.

Frederick J. Stabbert's *first* official act as chairman of NPTA was to announce: "This meeting is adjourned."

Michael K. Olthoff

A Strong Committee Structure

There are many others who deserve recognition for their tireless work on behalf of NPTA. They participate in the many standing committees. The following is a list of the Association's committees and their chairmen:

Advisory Council, *Francis J. Houlihan*
Education and Training, *William Ochsner*
Industrial Paper Division, *James B. Brame, Jr.*
Printing Paper Division, *James J. Swearingen*
Young Executives Forum, *Steven Ohrman*

National Headquarters Staff

John J. Buckley, Jr.
President
Naomi Adelglass
Bookkeeper
George Cain
Director of Research/Statistics
Elizabeth Castaneda
Administrative Assistant
Charles Ditolla
Leasing Consultant
David G. Farber
Production Manager
Judith Brandt Fishkind, Writer
William H. Frohlich
Vice President Communications
Mary Jo Heidepriem
Administrative Assistant
Geraldine Hislop
Administrative Assistant
Richard J. Lerman
Director of Marketing/Membership
Bruce H. Linden
Director of Education and Training
Ira B. Newman, Writer
F. Berneice Underwood
Executive Assistant
Michael B. Weir
NPTA Legal Counsel

John Rountree

Marianna Frick

Brent R. Grover

John W. Dietel

Thomas E. Costello

Managing for Exceptional Performance

This article, by Art Turock, suggests ways in which managers can learn to motivate their employees to go beyond "good enough" and reach for true excellence in performance.

"I follow the latest wisdom of management experts. I train my employees. An incentive system is in place. I praise them for good work. But they still hit performance plateaus and don't improve much beyond it. How do I motivate them to excellence?"

Sound like a familiar dilemma? It suggests a basic limitation in traditional management training.

Most managers are trained to manage through behavior and results. If employee performance is satisfactory or outstanding, they offer praise and distribute rewards. If it's unsatisfactory, they reprimand and administer negative consequences. However, this reward-reprimand approach is totally reactive. Managers must wait to see improved performance before they can reinforce it. When performance plateaus, there's nothing to reinforce. Managers lose their power to influence employees.

New sources of managerial clout are needed to achieve sustained excellence. The purpose of this article is to describe a proactive strategy of "managing through perceptions" to accelerate employees' performance breakthroughs.

The Make-or-Break Factor

Many paper distributors proclaim a commitment to excellence in service and products. Unfortunately, "commitment to excellence" is often just a buzz word. Excellence is taken for granted as something to strive for, but few distributors deliver it day after day.

Developing a pragmatic, results-oriented definition of commitment requires knowing the difference between "being committed" and "being interested" in results. To tell the difference, look at the observable outcomes.

Commitment is very different from being interested. The outcome of commitment is results. Committed people consistently do what's needed to produce desired results, no matter what difficulties are present.

The outcome of being interested is having good reasons for lack of results. If we adopt an interested posture, we sidetrack ourselves by habitually perceiving inconvenience and discomfort at the point of taking action. While desiring high achievement, the difficulty appears to be too great to merit serious effort.

It's natural to feel as though we're doing our best under difficult circumstances. However, what we call a "best" effort really amounts to doing what is reasonable, realistic, familiar, predictable, comfortable, manageable and easier.

This pattern of settling for less but calling it our best effort is set up by our perceptions. If our perception of the right conditions for success doesn't match real-life circumstances, we won't act. The basis for taking action becomes "if circumstances permit." There is no urgency. We are content to wait for circumstances to change so results can come easier. In a competitive paper distribution industry, delaying often means loss of market share.

Eliciting commitment involves a shift in perception. The perceived value of results is greater than the perceived difficulty. As value grows stronger, difficulties lose significance. They seem to disappear, although the actual circumstances probably haven't changed. All that has changed are our perceptions.

Interest and commitment are often confused. Commitment to achieving excellence is assumed. In reality, most employees will work for excellence so long as circumstances don't become too difficult.

The manager's job is to elicit and sustain employees' commitments to exceptional performance. It's a challenging task. When a manager wishes to "stretch" a top performer to higher achievement, new perceptions of difficulty are triggered. In confronting problem employees, a defensive barrage of excuses is inevitable. The managers must communicate with employees in a way that decreases perceptions of difficulty and increases perceptions of value in higher level results.

Managing Through Perceptions

How do you motivate people to stay inspired about work?

Let's recognize an obvious truth—you didn't hire unmotivated people. No one reports the first day at work feeling complacent, uncaring or burned out.

When performance and enthusiasm decline, it is usually because employees have lost a sense that their work makes a difference. At points of frustration, exceptional performers have a compelling answer to the question "Why am I bothering to work this hard to be exceptional?" Knowing "why" or having a clear purpose (beyond just making money) locks in a perception of value that surpasses any emerging difficulties.

Here are useful questions for clarifying purpose and value:

1. What is the reason you go to work now?
2. What is your company's basic mission? How does your work make a difference? What is its contribution?
3. What are your greatest talents? How does work enable you to express and develop these talents?
4. What values do you feel passionate about? What work experiences (not specific achievements) gives you greatest fulfillment?
5. Why is it important right now for you

to press yourself to go beyond your best past performance?

Why would employees not give their best effort?

If work activities aren't connected to a worthwhile purpose, employees tend to blame circumstances when results are slow in coming. Their commitment is to find reasons for falling short of desired results.

Why this retreat from excellence to being victimized by "business realities?" The short-term payoffs are attractive, such as:

- avoiding extra work
- avoiding stress and conflict
- gaining sympathy
- avoiding risks
- keeping self-image intact
- avoiding responsibility
- feeling justified for missing results.

These motivators are often more persuasive than promotions, pay raises, fringe benefits and verbal praise. They satisfy the need for security. Unfortunately, short-term safety comes at a tremendous price—loss of desired long-term results. It's a rotten tradeoff. Commitment to excellence subtly erodes into commitment to security.

But aren't there valid reasons for lack of results?

It depends! It depends on what managers and employees accept as valid reasons. If market conditions, work loads, interruptions, insufficient budget, computerization or poor teamwork are tolerated for unsatisfactory results, improved performance will be delayed. It all boils down to one question: What's it going to be—reasons or results? The daily responses to this question distinguishes the industry champions from the rest of the competition.

Step 1: Structuring a coaching relationship. Getting employees to understand that commitment is a "no matter what" posture toward results offers strong leverage to influence behavior. Instead of judging the validity of an employee's excuses, the manager focuses on supporting the employee to take action. Both parties operate by the ground rule: "No reasons, just results."

Step 2: Challenge perceptions of difficulty. Treat reasons for lack of results as merely perceptions of difficulty instead of legitimate barriers to performance. Use the following sequence of questions to diminish perceptions of difficulty and clarify perceptions of value:

1. What's the win/benefit to you in achieving this result? How does it tie in to your participating in the company's mission?
2. What do you tell yourself are the barriers to getting results?
3. Are these "barriers" really beyond your ability to overcome?
4. What are the payoffs of being victimized by circumstances and accepting unsatisfactory results?
5. By tolerating these reasons, what is the true commitment reflected in your actions?
6. What are you doing or not doing to cause unsatisfactory results?
7. If the right conditions aren't in place, what can you do to create the right conditions?
8. What's it going to be—reasons or results?

Step 3: Get a promise for action. Don't accept conditional statements such as "I'll try to," "I plan to," "I hope to," or "If everything works out." Challenge tentativeness. Get firm commitments indicated by phrases like "I promise," "I will do" or "Count on me for."

Step 4: Follow-up. Schedule periodic progress checks to insure promises are carried through. When employees know they will be held accountable, the likelihood of follow through is increased.

Case Example

Herb is a paper products salesman. His boss, Pete, has noticed a tendency to sell only to established accounts rather than developing new business. Here's an excerpt illustrating how to decrease perceptions of difficulty:

Pete: Nice job meeting your production quota for this week. At the same time, I notice you targeted five new account meetings but made no appointments. What are the difficulties you accepted for not getting appointments?

Herb: I figured that meeting the week's production quota was more important. I also felt uncomfortable after hearing no interest from several new prospects.

Pete: So you chose to have time for doing what's likely to get results and avoid doing what feels uncomfortable. Notice how your feelings are calling the shots? Are you able to do things even though you feel uncomfortable?

Herb: Sure. I've forced myself to make cold calls before.

Pete: Herb, what's the payoff of accepting uncomfortable feelings as a reason for lack of new accounts?

Herb: I have lots of pride in my sales performance and rejection is hard to swallow. It's riskier calling on new accounts.

Pete: Calling on established accounts keeps your image of being a competent salesman intact. In the immediate moment, that feels good. But over the long haul, failure to develop new business limits your production. You're running a risk if old accounts fall short of projections. There's just no way to play it safe.

Herb: I suppose that's the nature of sales.

Pete: What's your commitment going to be—protect your image or develop new accounts?

Herb: Guess it's time to make cold calls. Thanks for the support.

Pete: I can't accept a guess. How many meetings with new accounts can I count on before our next meeting in two days?

No Reasons, Just Results

While managers can probably order employees to do a day's work, they can't order excellence. Excellence is purely a voluntary commitment. Managers are accountable for eliciting and sustaining employees' commitment to excellence.

It's so tempting to put the burden of performance on the employee's lack of talent or motivation. However, exceptional performance comes out of a relationship where manager and employee share a mutual commitment to excellence. No reasons, just results.

Art Turock is a leading innovator in the field of "sustaining exceptional performance." Based in Seattle, he specializes in custom-tailored training programs for associations and corporations. Turock was a keynote speaker at the Third Annual NPTA Mid-Year Young Executives Forum (YEF) Conference in March 1987. He is author of two books and a tape series, "Sustaining Exceptional Performance." Readers are encouraged to consult with him on applications of the ideas in this article by calling 206-783-3405.

Quick Answers Help Speed Up Credit Collections

Dun & Bradstreet Business Education Services has produced a "Telephone Collector's Flip-File", now available from NPTA, to help counter the most common debtors' excuses.

Credit collection is a difficult (and often disagreeable) process. How many times have you heard, "The check is in the mail" or "I never received an invoice" when calling a customer about an overdue payment? To make telephone collecting easier, Dun & Bradstreet has produced a flip-file which offers suggestions in how to prepare for—and make—effective collection calls as well as how to spot danger signals that require immediate action.

Designed to stand next to the telephone on its own easel, the 20 laminated pages are indexed according to the objections and excuses most often encountered by telephone collection callers. Each page, in addition to D&B's suggested responses, has plenty of room for your own comments and ideas on how to deal with the problem.

Success in collection work depends upon motivating debtors to pay. The process includes:

- pre-planning the call (including reviewing the customer's file)
- preparing a statement of your position and request for full payment
- being willing and able to listen
- giving a prompt response to objections and returning quickly to your payment request
- asking probing questions to discover the real problem
- refusing to be drawn into an argument
- offering a realistic repayment plan (worked out before making the call).

Staying in control of the collection process—from start to finish—is the overriding factor, and D&B's flip-file gives you that control. Answers are provided for excuses such as:

- I have no money.
- Don't you trust me?
- The P.O. and invoice don't match.
- My customers don't pay me.
- The sales rep said not to worry.
- He/She is not in.
- I have to check my records.

The inability of a business to collect for goods and services sold creates the infamous "cash flow problem" and it makes good sense to prepare to handle the disagreeable situation when it arises. You won't be as profitable as you can be—or even able to stay in business very long—if collections don't keep pace with sales. D&B's "Telephone Collector's Flip-File" can help you stay away from the *receiving* end of a collection call.

NPTA also has available a D&B mini-course called "Collecting by Telephone" which consists of two study units in a three-ring binder, an audio demonstration tape and a "101 Tips" booklet. See order form below for more details.

Please send me ____copy(ies) of TELEPHONE COLLECTOR'S FLIP-FILE, the D & B resource, at $49.99 each plus $3.00 shipping and handling per order within the United States for a total of $52.99 per program.

☐ Check enclosed ☐ Bill My Credit Card ☐ AMEX ☐ MASTER ☐ VISA

☐ SEND ME INFORMATION ON THE COLLECTING BY TELEPHONE MINI-COURSE

CARD # _____ NAME APPEARING ON CARD _____

SIGNATURE OF CARD HOLDER _____

THE TOTAL AMOUNT OF MY ORDER IS $ _____

FOR INTERNATIONAL MAILING-$49.99+$5.00 SHIPPING AND HANDLING. CHECK MUST ACCOMPANY ORDER IN U.S. DOLLARS DRAWN ON A U.S. BANK

NAME _____ TITLE _____

COMPANY _____ PHONE _____

STREET ADDRESS _____

CITY/ STATE _____ ZIP _____

NATIONAL PAPER TRADE ASSOCIATION, INC. 111 GREAT NECK ROAD, GREAT NECK, NEW YORK 11021; 516-829-3070

New IRS Inventory-Expense Rules Are a Double Penalty

The August issue of *MN* contained information regarding the new IRS inventory capitalization rules in the Washington Watch section. Following is some additional information, as reported in a recent issue of *The Wall Street Journal*. It pinpoints some real-life effects the new rules will have on companies affected (those with over $10 million in sales).

The new rules create a dilemma because companies can't run a "lean and mean" inventory policy, for fear of not having the product to ship when a customer needs it. In addition, the firm can't pass on the added tax to customers due to competition in the market (those firms *under* $10 million in sales *don't* have these added costs).

Now, expenses associated with inventory-related activities must be segregated in the company's books and added to year-end inventory. If the owner, say, is paid $200,000 a year and spends half his time buying merchandise, half of that compensation must be capitalized as an inventory cost and deducted as the inventory is sold. A portion of general and administrative costs also must be allocated to inventory.

Owners say they will have to rely more heavily on outside accounts to reconcile the two, meaning greater expense. To establish a base line for the future capitalization of inventory-related costs, the IRS also has required companies to revalue their 1986 closing inventory as if the rules had been in effect in prior years. In many small businesses, of course, one employee may do several jobs, only some of which are related to inventory. The IRS has issued guidelines on how to allocate such an employee's time to inventory. But many small businesses operate informally, giving the owner plenty of discretion in deciding how to allocate an employee's time to inventory. That raises the question of how conscientious owners will be in complying with the rules.

Barry Tovig, a tax manager in the Washington office of Laventhol & Horwath, advises clients to estimate the time employees spend on inventory-related activities and document how they reached those estimates. "Quite frankly," Mr. Tovig says, "it's going to be difficult for the IRS to rebut an employer's studies. They certainly don't have the resources to let an agent sit in your business for six weeks to see how your business works." "I don't hear any talk about changing this," says Albert B. Ellentuck, a Laventhol & Horwath senior partner. "This is a revenue raiser, and getting Congress to take back revenue raisers is tough, given the budget pressures they're under."

Monthly Sales and Inventory Trends

Monthly sales, inventories and stock-to-sales ratios are tracked for merchant wholesalers by the United States Department of Commerce. Every several months, NPTA publishes these monthly trends, last reported in the March 1987 issue of *MN*. Information is taken from the Current Business Report series (No. BW-86-11) titled "Monthly Wholesale Trade." Subscriptions can be ordered ($18 per year) through the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

As shown by the table below, merchant wholesalers' sales nationwide rose 2.8% between January and March 1987, while inventories shrank by 2.4%. This contrasts with first quarter 1986 performance, when sales fell by 1% and inventories rose by 1%. Consequently, the stock/sales ratio as of March 1987 stood at 0.96, compared to 1.01 last year, signifying that merchants operated with lower inventory levels during the first quarter. This activity is borne out by NPTA's Paper Merchant Sales Report as well. Between January and March 1987 the "calendar days cost of ending monthly inventory" stayed the same at 61 days for industrial paper, but fell from 79 to 71 days for printing paper.

MONTHLY SALES, INVENTORIES & STOCK/SALES RATIOS OF MERCHANT WHOLESALERS (1)

Total Paper & Paper Products (SIC Code 511)

	Sales		Inventories		Stock/Sales Ratios	
	1987	1986	1987	1986	1987	1986
1st Quarter	($Millions)		($Millions)			
January	$3,564	$3,197	$3,595	$3,154	1.01	0.99
February	3,708	3,127	3,535	3,143	0.95	1.01
March*	3,665	3,164	3,509	3,188	0.96	1.01

(1) Seasonally adjusted
*Preliminary estimate

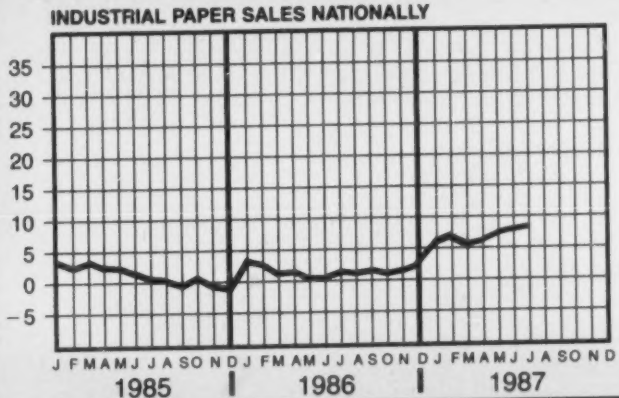
Summary National Trend Information: 1985 To Present

NOTE: *BEGINNING WITH THE JANUARY 1986 REPORT, STATISTICS WERE PRODUCED BY A NEW SYSTEM. THEREFORE, STRICT COMPARISONS TO PRIOR REPORTS SHOULD NOT BE MADE.*

SALES INFORMATION

YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

INDUSTRIAL PAPER SALES NATIONALLY

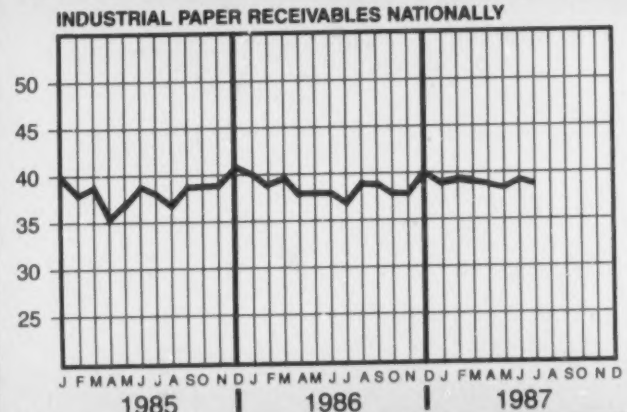


PRINTING PAPER SALES NATIONALLY

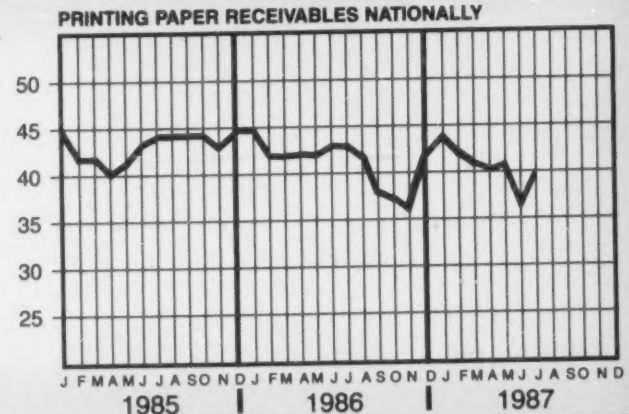
RECEIVABLES INFORMATION

DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



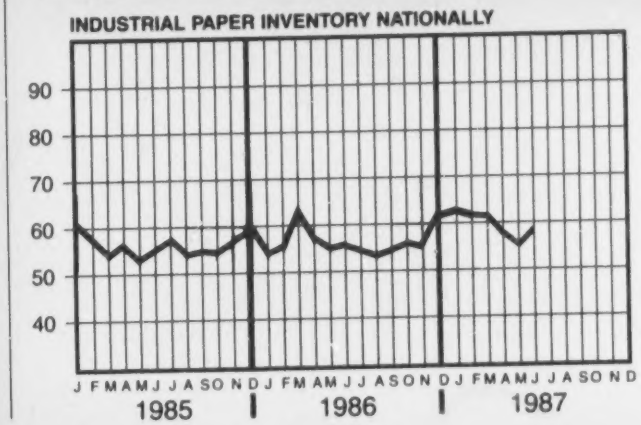
PRINTING PAPER RECEIVABLES NATIONALLY



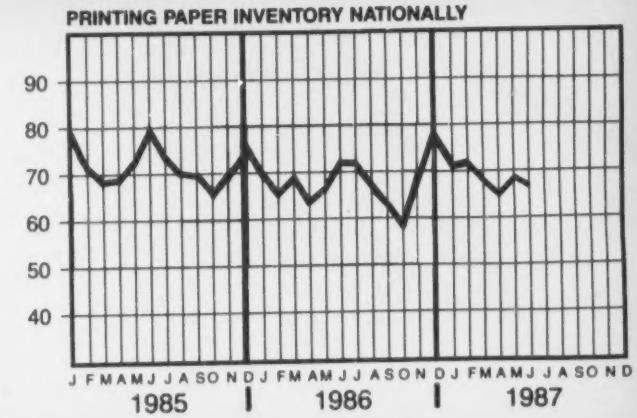
INVENTORY INFORMATION

CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY

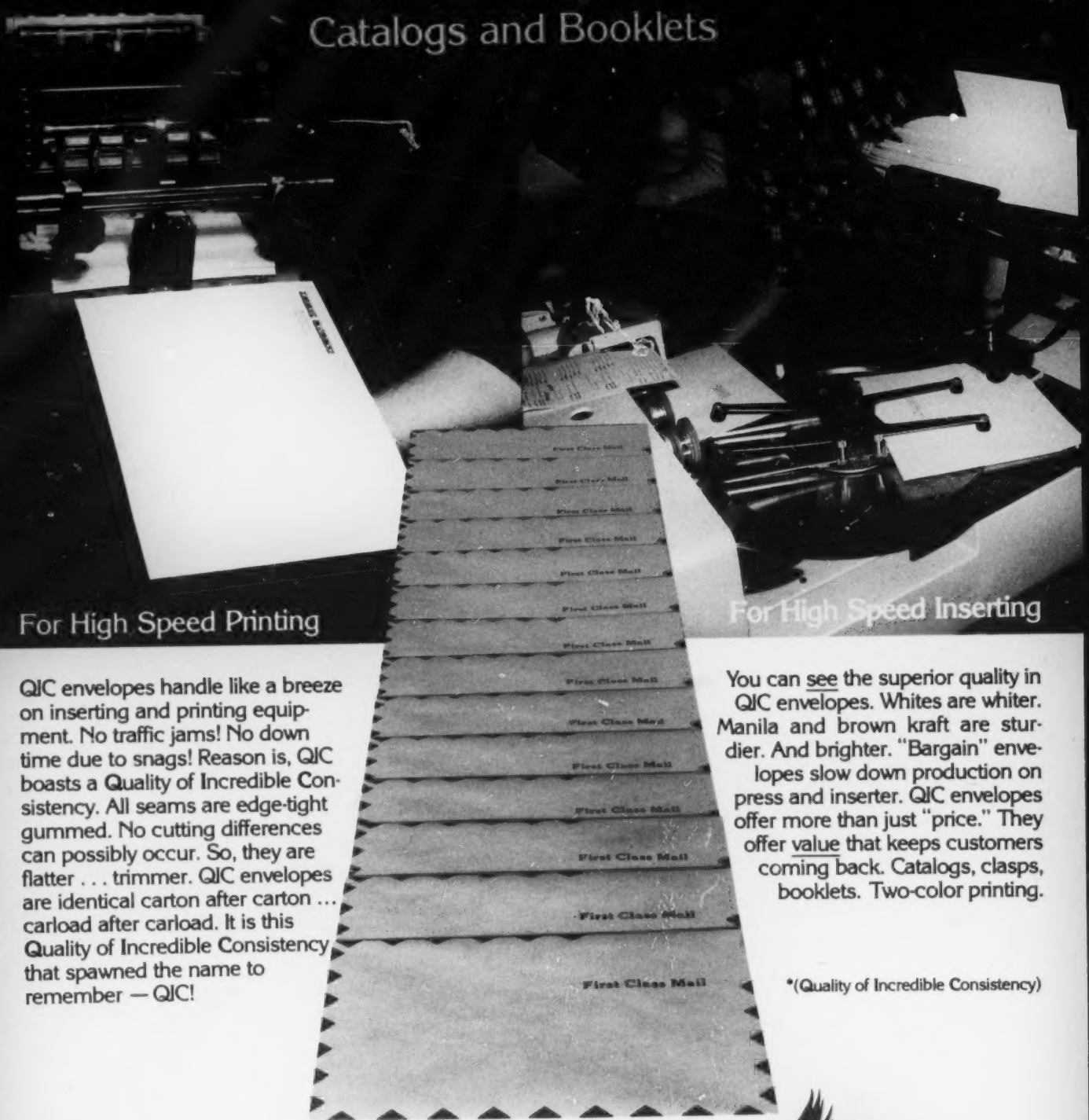


PRINTING PAPER INVENTORY NATIONALLY



Now, from New York / National Envelope . . .

Catalogs and Booklets



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You can see the superior quality in QIC envelopes. Whites are whiter. Manila and brown kraft are sturdier. And brighter. "Bargain" envelopes slow down production on press and inserter. QIC envelopes offer more than just "price." They offer value that keeps customers coming back. Catalogs, clasps, booklets. Two-color printing.

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National Envelope Corp./South, Austell (Atlanta), GA • National Envelope Corp./Midwest, Lenexa, KS

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